Instructions issued to Bank and Financial Institutions for speedy relief to cyclone affected people in Andhra Pradesh

91. SHRI PRABHAKAR RAO KALVALA: Will the Minister of FINANCE be pleased to state:

(a) whether any instructions have since been issued by Government to the banks and financial institution for grant of speedy relief and rehabilitation assistance to the people affected by cyclone in Andhra Pradesh during the year 1990, and

(b) what is the estimated amount of assistance so far granted by each of the financial institutions and banks to the cyclone affected people and whether recovery of agricultural loan has been deferred?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) and (b) Reserve Bank of India (RBI) had advised the scheduled commercial banks in May, 1990 to speedy extend relief and rehabilitation assistance to the persons affected by the cyclone in Andhra Pradesh. These instructions *inter-alia* envisage (i) Conversion of short term production loans into medium term loans, (ii) rescheduleement of the existing term loan instalments and (iii) provision of fresh crop/term loan. The relief by way of fresh advances or any other concession provided to any effected person for pursuing his trade/activity by banks becomes a part of their advances to that sector and no separate reporting system has been prescribed for banks by RBI for this purpose.

Borrowing from external sources

92 SHRI GURUDAS DAS GUPTA: Will the Minister of FINANCE be pleased to state:

(a) what is Government's stand on borrowing from external sources such as IMF, World Bank etc; and

(b) whether any talks were held by Government with such agencies recently and if so, the details and the outcome thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) and (b) Borrowings from external sources are utilised to finance investment programmes and foreign exchange requirements. These borrowings are from bilateral sources, multilateral financial agencies like the World Bank, Asian Development Bank and IMF and International Capital markets. Borrowings from the World Bank can be undertaken for financing of projects, sector programmes and for structural adjustment programme India has borrowed from the World Bank for specific projects. Discussions with the World Bank for identification, appraisal and negotiations of projects is a continuous process Recently the rise in oil prices due to development in Gulf area has accentuated the already considerable strain on the Balance of Payments In this context, discussions are being held with the IMF to explore the possibility of drawing resources available to member countries in particular from the Compensatory and Contingency Financing Facility (CCFF).

Irregularities in sanctioning loans by UCO Bank Management

93. SHRI GURUDAS DAS GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the complaints of alleged irregularities in sanctioning of loans by UCO Bank management;

(b) if so, what are the details thereof and what action has been taken thereon;

(c) what is the loss shown in balance sheet of UCO Bank for the year 1989-90; and

(d) what steps have been taken to restore the health of the bank?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) and (d) Information is being collected and to the extent available will be laid on the Table of the House.

(c) Rupees 54 59 crores.

Sale of Shares by Financial Institutions

94 SHRI SURESH KALMADI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the financial institutions have sold large number of shares worth hundreds of crores of rupees during the last few weeks affecting the market;

(b) if so, what are the details thereof indicating the quantity and exact amount of each stock sold during the last two months; and

(c) what are the guidelines, if any, issued by Government to the financial institutions from time to time in this regard?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH). (a) No Sir.

(b) In view of reply to (a) above the question does not arise

(c) A copy of the Guidelines regarding Institutional Transactions in shares issued by the Government in May, 1990 is attached hereunder.

GUIDELINES

Institutional Transactions in Shares

In order to make the transactions in shares (as also convertible debentures and preference shares) by all India public financial and investment institutions, i e IDBI, ICICI, IFCI, UTI, LIC, GIC and its subsidiaries, more open and transparent, it has been decided that:—

(1) For any sales of over 1 per cent of the paid up capital of a company, the information regarding the transaction and the price shall be disclosed to the general public by the institution concerned through a Press Release within a day of the transaction. Information will also be sent to SEBI and the concerned stock exchanges This disclosure requirement will also apply in respect of inter-institutional sale or sale to banks/their subsidiaries.

(2) The Board of each institution should lay down appropriate criteria for such transactions, keeping in view the specific objectives of the institution. These institutions should be guided by commercial considerations in laying down such criteria as also in their actual operations.

(3) IDBI, ICICI, IFCI, UTI, LIC, GIC and its subsidiaries shall normally sell shares and other equity related instruments to non-institutional buyers only on recognised stock exchanges. This should be done through empanelled brokers at market prices. All sales should be for delivery. Subject to the disclosure requirement in Para 1, inter-institutional bulk transfer of shares will normally be through direct negotiations among institutions

(4) Negotiated sales/purchases to non-institutional buyers should normally not be undertaken. However, these could be done insituations involving sickness, management change and mergers, etc. with the approval/ratification of the Board/ appropriate committee These sales will be disclosed to the public, as provided in para (1) above.

(5) In suitable cases like those involving sick companies or for portfolio adjustments, sales may, be